

Message Text

CONFIDENTIAL

PAGE 01 ATHENS 03215 291801Z

73

ACTION EUR-25

INFO OCT-01 ISO-00 PM-07 NSC-07 SP-03 SS-20 RSC-01 CIAE-00

INR-10 NSAE-00 MC-02 L-03 EB-11 OMB-01 TRSE-00 COME-00

SAJ-01 DRC-01 /093 W

----- 074906

R 291500Z MAY 74

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 3538

INFO SECDEF WASHDC

CNO WASHDC

USCINCEUR

CINCUSNAVEUR LONDON

C O N F I D E N T I A L ATHENS 3215

E.O. 11652: GDS

TAGS: MASS, MARR, GR, US

SUBJECT: POTENTIAL GOG PURCHASE OF A-7E AND T-2 AIRCRAFT

REF: (A) CHJUSMAGG 261100Z MAY 74 (NOTAL); (B) ATHENS 3024
(NOTAL); (C) ATHENS 2804; (D) ATHENS 3143

1. DISCUSSIONS WITH HAFIC IN RECENT DAYS (SEE REF A) REPORTEDLY REVEAL GOG READINESS TO CONTRACT FOR PURCHASE OF 60 A-7E AND 40 T-2 AIRCRAFT, PERHAPS AS EARLY AS MAY 31 AND EVEN WITHOUT PRIOR AGREEMENT ON FINANCIAL TERMS. EMBASSY IS NOT CONVINCED THAT GOG WOULD AGREE TO PURCHASE ARRANGEMENT WITHOUT NEGOTIATION WITH DOD NEGOTIATOR VIOLETTE. STUMBLING BLOCK TO CONCLUSION OF ARRANGMENTS AT MOMENT SAID TO BE GREEK DESIRE THAT RESEARCH AND DEVELOPMENT (R&D) COSTS BE WAIVED, THEREBY LOWERING UNIT COSTS OF A-7E A/C BY \$125,900 AND T-2 A/C BY \$11,315. SINCE R&D COSTS WERE WAIVED IN MARCH 1972 F-4 PURCHASE ARRANGEMENT. PRECEDENT EXISTS AND GOG WILL EXERT EVERY EFFORT TO HAVE R&D COSTS WAIVED IN CURRENT ARRANGEMENT. TOTAL SAVINGS TO GOG (AND LOSS TO USG, ASSUMING SALE COULD BE ARRANGED WITHOUT WAIVER) WOULD BE MORE THAN \$8 MILLION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 03215 291801Z

2. DEPARTMENT WILL RECALL THAT WE HAVE WORKED ASSIDUOUSLY TO DISABUSE GREEK MILITARY OF NOTION THAT USG PROVISION OF MILITARY EQUIPMENT, BY WHATEVER MEANS, WAS MATTER FOR BAR-GAINING IN QUID PRO QUO ARRANGEMENT FOR GREEK AGREEMENT TO OUR USE OF FACILITIES IN GREECE. THERE HAVE BEEN NO EXPLICIT GREEK ATTEMPTS IN RECENT MONTHS TO ASSERT LINKAGE OF TWO ISSUES, BUT CLOSE CONNECTION HAS BEEN IMPLIED ON SEVERAL OCCASIONS (SEE REF C FOR MOST RECENT). DEFERRAL OF VIOLETTE VISIT FOR NEGOTIATION OF A-7E ARRANGEMENT AND FONOFF INABILITY TO SET DATE FOR NEXT NEGOTIATING SESSION ON SOUDA AB (SEE REF D) MAY BE REGARDED BY GREEKS AS INTER-RELATED EVENTS IN SILENT QUID PRO QUO MINUET IN WHICH NEITHER SIDE IS PLAYING MUSIC. WE CONTINUE TO BELIEVE THAT USG INTERESTS ARE BEST SERVED BY KEEPING ISSUES SEPARATE, AND DANCE TUNELESS.

3. FAILURE OF GREEKS THUS FAR TO ANNOUNCE CONCLUSION OF AIRCRAFT PURCHASE ARRANGEMENT WITH FRENCH, DESPITE COMPLETION OF FRENCH ELECTION CAMPAIGN, SUGGESTS POSSIBILITY THAT GOG EITHER ONCE AGAIN HAS BEEN ATTEMPTING TO PLAY OFF USG AND GOF (ALTHOUGH AIRCRAFT NOT COMPETITIVE) IN ORDER TO DRIVE DOWN COSTS IN ONE OR BOTH ARRANGEMENTS OR THAT NEGOTIATIONS WITH FRENCH WERE NOT SO FAR ADVANCED AS INDICATED BY THE MANY REPORTS RECEIVED AD SENT IN BY MISSION ELEMENTS. INFORMATION PROVIDED BY US MAGG IN FRANCE THAT MIRAGE F-1 UNIT COST IS APPROXIMATELY \$7 MILLION REINFORCES VIEW THAT ITS EXCESSIVE COST, COMPLEXITY OF INTRODUCING A/C FROM DIFFERENT SOURCE, AND -- POSSIBLY -- PLAYOFF FACTOR AS ORIGINAL MOTIVATION FOR NEGOTIATION WITH FRENCH ON MIRAGE F-1 MIGHT SEE ARRANGEMENT REMAIN UNCONSUMMATED.

4. NOTWITHSTANDING COMPLEXITIES INHERENT IN SITUATIONS, WE CONTINUE TO BELIEVE THAT IT IS MOST IMPORTANT TO FACILITATE EFFORTS OF NATO COUNTRIES TO IMPROVE THEIR OWN DEFENSE CAPABILITIES IN ORDER TO MEET NATO COMMITMENTS. HELPING GREECE AND TURKEY TO MAKE THEIR MONEY GO AS FAR AS POSSIBLE WOULD BE MOST TANGIBLE WAY OF DOING SO. IN THIS CONNECTION, AND IN VIEW OF EXISTING PRECEDENT, WE RECOMMEND THAT DOD NEGOTIATOR BE AUTHORIZED TO WAIVE R&D CHARGES ON A-7E AND T-2 AIRCRAFT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ATHENS 03215 291801Z

TASCA

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATHENS03215
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740135-0537
From: ATHENS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740512/aaaaakeb.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) CHJUSMAGG 261100Z MAY 74 (NOTAL), ; (B) ATHENS 3024
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 MAY 2002 by elyme>; APPROVED <26 MAR 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POTENTIAL GOG PURCHASE OF A-7E AND T-2 AIRCRAFT
TAGS: MASS, MARR, GR, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005